

ASSEMBLY BILL

No. 1284

Introduced by Assembly Member Patterson

February 22, 2013

An act to amend Section 17052.25 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1284, as introduced, Patterson. Income taxes: credits: adoption costs.

The Personal Income Tax Law authorizes various credits against the tax imposed by that law, including a credit against the tax in an amount equal to 50% of the costs, as specified, paid or incurred by a taxpayer for the adoption of a minor child, as provided.

This bill would make a technical, nonsubstantive change to this provision.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17052.25 of the Revenue and Taxation
- 2 Code is amended to read:
- 3 17052.25. (a) For each taxable year beginning on or after
- 4 January 1, 1994, there shall be allowed as a credit against the “net
- 5 tax,” as defined in Section 17039, an amount equal to 50 percent
- 6 of the costs paid or incurred by a taxpayer for the adoption of any
- 7 minor child who is a citizen or legal resident of the United States
- 8 and was in the custody of a public agency of either this state or a

1 political subdivision of this state. The credit shall not exceed two
2 thousand five hundred dollars (\$2,500) per minor child.

3 (b) “Costs” eligible for the credit pursuant to subdivision (a)
4 shall include the following:

5 (1) Fees for required services of either the Department of Social
6 Services or a licensed adoption agency.

7 (2) Travel and related expenses for the adoptive family that are
8 directly related to the adoption process.

9 (3) Medical fees and expenses that are not reimbursed by
10 insurance and are directly related to the adoption process.

11 (c) The credit authorized by this section shall be claimed for
12 the taxable year in which the decree or order of adoption is entered
13 ~~pursuant to~~ *under* Section 8612 of the Family Code. However, the
14 allowable credit claimed may include any costs of that adoption
15 paid or incurred in any prior taxable year.

16 (d) In the case where the credit allowed by this section exceeds
17 the “net tax,” the excess may be carried over to reduce the “net
18 tax” in the following year, and succeeding years if necessary, until
19 the total credit of two thousand five hundred dollars (\$2,500) per
20 minor child is exhausted.

21 (e) Any deduction otherwise allowed under this part for any
22 amount paid or incurred by the taxpayer upon which the credit is
23 based shall be reduced by the amount of the credit allowed under
24 this section.